Development issues of free economic zones

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ABSTRACT

The article outlines the theoretical basis for the need for free economic zones, as the most important factor in the country's socioeconomic growth, and their attractiveness and evaluation criteria. In turn, this requires that each region locates and develops productive forces based on its mineral and resource wealth. The author emphasizes the strengthening of the policy of diversification of small business and private entrepreneurship, an increase in export potential and the current state of the economy in the regions.

Keywords: investment, investment attractiveness, strategy of action, capacity, marketplace, strategic program, economic zone, industrial zone.

1. INTRODUCTION

To create modern enterprises in the country to provide high-value competitive products on the basis of deep processing of local mineral resources, deep and efficient use of production and resource potential of the republic, thus creating new jobs and increasing incomes. A special attention is paid to the development of foreign, first of all, an important factor in attracting FDI.

A robust legislative and regulatory framework governing the activities of free economic zones has been established; At present, 14 FIEZ were established and operate in 10 regions of the country.

In this regard, the Decree of the President of the Republic of Uzbekistan Sh.Mirziyoev "On the Strategy of Action for the Further Development of the Republic of Uzbekistan" has launched qualitatively new approaches to the system of strategic planning of the state and society development prospects.

According to him,

- Creation of free economic zones, industrial parks and small industrial zones, increase of efficiency of existing zones;

To continue pursuing a well thought out foreign borrowing policy through the development of international economic cooperation, including by expanding ties with leading international and foreign financial institutions, and the effective use of foreign investments and loans;

- to create an effective competitive environment for the sectors of the economy and to gradually reduce the monopoly on the markets of products and services;
- development of new products and technologies in principle, as well as ensuring the competitiveness of national goods in domestic and foreign markets.

This will enable the development of territories and job creation, increase of the contribution of free economic zones to increase the incomes of the population, establishment of close cooperation links between the participants of these zones with the use of cluster approaches, based on project management principles, on the basis of local raw materials. establishment and leading high-tech modern localization of production of competitive finished goods and components with the participation of foreign companies and corporations, the establishment of modern high-tech and innovative industries for foreign investment, especially foreign direct investment is planned to create the most favorable conditions.

2. LITERATURE REVIEW

Many foreign and local economists have done research on the creation, the role and importance of free economic zones and their development. From foreign scholars R.J.McCalla [1], M.Guangwen [2], H.C.Bara [3]. V. Prihodko, N. P. Volovik [4], JS Druzhik [5] NV Chernenko [6], Yu.Kuznetsov [7], PA

Smorodinskaya, AS Kaptustin [8] and local scientists. P. Abulkosimov, NKMurodova, K.Mufaiddinov, AAKulmatov, IU Ibragimov, R.Hodjaev, FKShoyusupova, A.Egamberdiev Nargiza Kuzieva [9].

Notwithstanding the research and theoretical research carried out, today, in the context of today's globalization and democratic market reforms, a comprehensive statistical analysis of the activities of free economic zones has not been systematically covered. requires research within the selected topic.

3. ANALYSIS AND RESULTS

The study contains 5 key indicators groups, which are subdivided into subgroups in order to analyze the effectiveness and prospects of the establishment of free economic zones in Uzbekistan and to assess the effectiveness of free economic zones. These indicators can be systematized to make them more accurate.

Assessment of the efficiency of the economic zone is made taking into account the fulfillment of projected indicators for each group of indicators. Indicators of the effectiveness of the free economic zones for determining the degree of fulfillment of the plan are evaluated by comparing the forecast and actual values. The score is set at a 5-point scale, and the table 1 below shows the performance status of the plan.

Table 1
Assessment of Free Economic Zones [10].

0Performance of planned indicators,%	0Points on the performance of planned indicators
90 %	5
70-90 %	4
50-70 %	3
35-50 %	2
35 %	1
20-35 %	0

Source: Smorodinskaya P.A., Kapustin A.S. Free economic zones: world experience and Russian prospects. Economic issues. 2012. No. 27, p. 126-140

Based on the scores on the planned targets, the effectiveness of FEZ is based on the following criteria (Table 2):

Table 2
Criteria of Evaluation of Free Economic Zones

OScore on the performance of the planned indicators.	0
5-4 points	Free economic zones are functioning effectively
4-3 points	Free economic zones are functioning very effectively
3-2 points	Conditional functioning of free economic zones is associated with the need for improvement in individual regions
2-1 points	Free economic zones are ineffective
Less than 1 point	The activity of free economic zones is ineffective

The performance of any free economic zone can be evaluated according to the criteria given in Table 2. Certainly, for this purpose it is necessary to pay attention to the accuracy and reliability of the above mentioned indicators.

Each country has its own experience and traditions in attracting foreign investment in its national economy. One of the ways in which the economies of developed countries are now developing is that a particular region, or a small country, has taken steps to develop its economy into a free economic zone.

The establishment of free economic zones is generally cost effective in a particular region or in a particular region of a particular country. However, there are cases when entire economies of small states, whose territory and administrative system are small, have been transformed into free economic zones. The main objective of the establishment of free economic zones is to accelerate the attraction of foreign investments to the country in the shortest possible time.

Despite the fact that these zones are different in their organization and name, the main purpose of their establishment is to improve the living standards of the population by eliminating the existing economic, financial and social problems and by joining the ranks of the developed countries, by attracting as much foreign investment as possible.

Adoption and introduction in the Republic of Uzbekistan of the normative acts, which directly guarantee and guarantee the establishment and development of free economic space in the Republic of Uzbekistan began in 1995. On August 30, 1995, the Law "On Concession", "On Free Economic Zones" on April 25, 1996 and "On Attracting Foreign Funds" on August 29, 1996 were adopted and introduced into the economy. Adoption of these laws has had a positive impact on the inflow of foreign investments into our economy and the annual growth in investment.

Today there are 14 free economic zones in the country. In Navoi, Angren, Jizzakh, Urgut, Gijduvon, Kokand and Hazorasp free economic zones, 62 projects totaling \$ 486 million have been implemented and more than 4,600 jobs have been created. 7 new free economic zones: Nukus Farm, Zaamin Farm, Kosonsoy Farm, Syrdarya Farm, Baysun Farm, Bostanlik Farm, Parkent Farm specializing in pharmaceuticals Consistent work on the development of.

1021 projects totaling 535 billion soums have been implemented in these zones, over 9,600 jobs have been created. The projects produce light industry, chemicals, food products, electrical appliances, modern building materials, furniture and other products, which are in demand not only in domestic but also in foreign markets. In addition, it is planned to create 11,000 new jobs through 248 projects.

In this regard, in accordance with the Decree of the President Sh.Mirziyoev "On Additional Measures for Activation and Expansion of the Activities of Free Economic Zones" [11]:

- simplifying procedures for the further development of free economic zones, expanding the involvement of investors and entrepreneurs;
- accelerating the implementation of investment projects in the free economic zones, purchasing high-tech equipment from abroad;
- attraction of investments from small industrial zones, development of entrepreneurship, creation of new jobs and improvement of welfare of the population;
- sustainable supply of free economic zones and small industrial zones with electricity, natural gas, water and other communications networks.

In order to study the priority tasks set out in the Decree and to analyze them critically, the "Meeting on the analysis of the effectiveness of the development of free economic zones and small industrial zones in our country" [12] "... criticizing the lack of initiative, low level of organization of work on the development of free economic zones and small industrial zones. This, in turn, dictates the need to strengthen the oversight of work in the field and the timely implementation of assigned tasks.

3. CONCLUSION AND RECOMMENDATIONS

In conclusion, we can observe the large inflow of investments to the country as a result of the creation of free economic zones. further development of foreign economic activity of the country, further development of foreign trade, export and import operations. This will further stabilize and develop the country's economy.

This requires, first of all, the right choice of territories, engineering and communication, road transport and location in the creation of free economic zones;

- Definition and direction of activity of free economic zones, depending on the possibilities of the regions;
- establishing close cooperation links between the participants of the zones with the use of cluster approaches in free economic zones;
- Conducting informational and promotional activities to attract investors in the interests of free economic zones abroad and in the country;
- It is desirable to develop measures to increase the attractiveness of the free economic zones created in the country through the mass media and on the Internet.

As a result of the creation of free economic zones, economic development of the country, increase of export potential, employment of population, prosperity of the population and stability of the economy, and most importantly, its integration into the world community.

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